



Homestake Mining Company  
PO Box 98  
Grants, NM  
505-287-4456

August 2, 2019

Thank you for your recent visit to the Homestake Mining Company Grants site. We appreciate your continued interest in the remediation work of the site. As discussed and agreed, below are responses to the questions Candace Head-Dylla requested you ask during the tour.

(1) Head-Dylla: Is Homestake open to adding screened monitoring wells north and west of the LTP to help evaluate the sources on the west side of San Mateo Creek? The sources for this area have not been determined, and more characterization work is needed to aid in cleanup. Well DD is currently controlling the high uranium water quality standard, yet sources to the well are not known.

1. Homestake has installed four wells to the north of the large tailings pile in the last year as part of the background study done by Arcadis. Additionally, in 2017 Homestake installed five wells on the west side of San Mateo Creek alluvial system in the vicinity of Evaporation Pond 3 near the well DD. Three of these wells had similar background uranium concentrations as the DD well. Work done by Arcadis and presented to the agencies in 2018 found soil with elevated uranium concentrations in the vicinity of well DD, likely sourced from eroded material originating from the Morrison Formation's Westwater Canyon Member (the primary uranium ore body in the Grants Mineral District).

(2) Head-Dylla: The injectate had elevated concentrations of selenium and uranium during the 2016 USGS sampling (both at 11 micrograms/liter). Is HBG aware of these values? What approaches are they using to lower concentrations in the injectate and the reverse-osmosis treated water? If the "barriers" do not completely capture the injectate, this water will adversely affect downgradient groundwater in the alluvium and in the Chinle.

2. Homestake is aware of the injectate water quality, as it is a critical monitoring point in compliance with NRC License SUA-1471 and NMED discharge permit DP-200. The 11 micrograms/L of uranium and selenium is below the alluvial site standard of 160 micrograms/L for uranium and 320 micrograms/L for selenium. For comparison's sake, the 11 micrograms/L is also below the EPA drinking water standard for uranium of 30 micrograms/L and 50 micrograms/L for selenium.



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(3) Head-Dylla: On that same note, what is HBG's plan to increase Reverse Osmosis operations to full capacity (currently operating between 25-40% of capacity) and wouldn't it be helpful to expand RO facilities? NMED could grant a streamlined discharge permit and HBG could use existing land north of the LTP for evaporation ponds.

3. Homestake is currently and constantly assessing the treatment systems in order to maximize operations. For example, Homestake currently has scheduled two separate engineering assessments of the reverse osmosis system. NMED providing a streamlined approval process would only be a single component of the necessary regulatory process for additional treatment capacity or other changes to Homestake's treatment systems. Further, any additional treatment systems or significant modifications to existing systems would need to be approved by the Nuclear Regulatory Commission if not currently covered by license SUA-1471, and any additional evaporation ponds would need to be approved by the New Mexico Office of the State Engineer's Dam Safety Bureau.

(4) Head-Dylla: Is there a better remediation strategy that would allow HBG to limit its use of water from the San Andres Glorieta Aquifer?

4. The use of fresh water as a supplement to the treated water for injection is a necessary component for maintaining the hydraulic barrier at times of low treatment rates. As treatment rates increase following the re-lining of Evaporation Pond 1, the need for SAG water will decrease. HMC agreed previously to reduce its usage of SAG water by more than 50% from historical usage.

Engagement with local stakeholders is a major tenet of our work. Through sharing information and listening, we have collaborated to: preserve community water rights by establishing beneficial use in Murray Acres; reinstituted a program to fund potable water to area residents; and support important local events and initiatives.

We appreciate your time and interest and welcome you or your colleagues for site tours again in the future. We hope our responses are helpful and should there be any follow-up questions, please feel free to contact me at [dpierce@homestakeminingco.com](mailto:dpierce@homestakeminingco.com) or call at 505-287-4456.

Best Regards,

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